

HOUSE BILL No. 1565

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-6-9.5.

Synopsis: Vanderburgh County auto rental excise tax. Authorizes the Evansville city council to impose a supplemental auto rental excise tax in Vanderburgh County.

Effective: July 1, 2005.

Becker, Hoy, Avery, Van Haaften

January 18, 2005, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1565

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-6-9.5 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2005]:
4 **Chapter 9.5. Vanderburgh County Supplemental Auto Rental**
5 **Excise Tax**
6 **Sec. 1. This chapter applies to Vanderburgh County.**
7 **Sec. 2. As used in this chapter, "department" refers to the**
8 **department of state revenue.**
9 **Sec. 3. As used in this chapter, "gross retail income" has the**
10 **meaning set forth in IC 6-2.5-1-5.**
11 **Sec. 4. As used in this chapter, "passenger motor vehicle" has**
12 **the meaning set forth in IC 9-13-2-123(a).**
13 **Sec. 5. As used in this chapter, "person" has the meaning set**
14 **forth in IC 6-2.5-1-3.**
15 **Sec. 6. As used in this chapter, "retail merchant" has the**
16 **meaning set forth in IC 6-2.5-1-8.**
17 **Sec. 7. (a) The legislative body of the most populous city in the**

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1 county may adopt an ordinance to impose an excise tax, known as
 2 the county supplemental auto rental excise tax, upon the rental of
 3 passenger motor vehicles in the county for periods of less than
 4 thirty (30) days. The ordinance must specify that the tax expires
 5 December 31, 2036.

6 (b) The county supplemental auto rental excise tax that may be
 7 imposed upon the rental of a passenger motor vehicle is two
 8 percent (2%) of the gross retail income received by the retail
 9 merchant for the rental.

10 (c) If the city legislative body adopts an ordinance under
 11 subsection (a), the city legislative body shall immediately send a
 12 certified copy of the ordinance to the commissioner of the
 13 department.

14 (d) If the city legislative body adopts an ordinance under
 15 subsection (a) before June 1 of a year, the county supplemental
 16 auto rental excise tax applies to auto rentals after June 30 of the
 17 year in which the ordinance is adopted. If the city legislative body
 18 adopts an ordinance under subsection (a) on or after June 1 of a
 19 year, the county supplemental auto rental excise tax applies to auto
 20 rentals after the last day of the month in which the ordinance is
 21 adopted.

22 **Sec. 8. (a)** The rental of a passenger motor vehicle by a funeral
 23 director licensed under IC 25-15 is exempt from the county
 24 supplemental auto rental excise tax if the rental is part of the
 25 services provided by the funeral director for a funeral.

26 (b) The temporary rental of a passenger motor vehicle is exempt
 27 from the county supplemental auto rental excise tax if the rental is:

28 (1) made or reimbursed under a contract or agreement:

29 (A) between a provider and person;

30 (B) given for consideration over and above the lease or
 31 purchase price of a motor vehicle; and

32 (C) that undertakes to perform or provide repair or
 33 replacement service, or indemnification for that service,
 34 for the operational or structural failure of a motor vehicle
 35 due to a defect in materials or skill of work or normal wear
 36 and tear;

37 (2) made or reimbursed under a contract for mechanical
 38 breakdown insurance;

39 (3) made or reimbursed under a contract for automobile
 40 collision insurance or automobile comprehensive insurance
 41 that covers the temporary lease of a vehicle to the person after
 42 the person's vehicle is damaged or destroyed in a collision; or

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(4) otherwise provided to a person as a replacement vehicle:

(A) while the person's vehicle is repaired or serviced due to a defect in materials or skill of work, normal wear and tear, or other damage; or

(B) until the person permanently replaces a vehicle that has been destroyed.

Sec. 9. A person that rents a passenger motor vehicle is liable for the county supplemental auto rental excise tax. The person shall pay the tax to the retail merchant as a separate amount added to the consideration for the rental. The retail merchant shall collect the tax as an agent for the state.

Sec. 10. (a) Except as otherwise provided in this section, the county supplemental auto rental excise tax shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5.

(b) Each retail merchant filing a return for the county supplemental auto rental excise tax shall indicate in the return:

(1) all locations in the county where the retail merchant collected county supplemental auto rental excise taxes; and

(2) the amount of county supplemental auto rental excise taxes collected at each location.

(c) The return to be filed for the payment of the county supplemental auto rental excise tax may be:

(1) a separate return;

(2) combined with the return filed for the payment of the auto rental excise tax under IC 6-6-9; or

(3) combined with the return filed for the payment of the state gross retail tax;

as prescribed by the department.

Sec. 11. The amounts received from the tax imposed under this chapter shall be paid monthly by the treasurer of state to the fiscal officer of the most populous city in the county upon warrants issued by the auditor of state.

Sec. 12. (a) If a tax is imposed under section 7 of this chapter, the fiscal officer of the most populous city in the county shall establish a county supplemental auto rental excise tax fund.

(b) The city fiscal officer shall deposit in the county supplemental auto rental excise tax fund all amounts received under this chapter.

(c) Any money earned from the investment of money in the county supplemental auto rental excise tax fund becomes a part of the fund.

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1 (d) Money in the county supplemental auto rental excise tax
2 fund shall be used by the city legislative body for purposes
3 designated by the city legislative body.

4 Sec. 13. This chapter expires January 1, 2036.

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